



# consumer news

Office of Consumer Affairs  
Virginia H. Knauer, Director

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## Supreme Court decision on finance charges

The Supreme Court's decision on April 24 (*Leila Mourning vs. Family Publications Service Inc.*) assures consumers of additional protection under the 1968 Truth-in-Lending Act. The decision, in favor of Mrs. Mourning, reinforces a basic intent of the law—a guarantee that when a consumer buys something on credit, he will receive from the seller or creditor a complete & detailed statement of finance charges & the total cost of the purchase. With this information, a consumer knows precisely how much it will cost him to buy on credit. The information also makes it easier for him to compare cash prices & credit costs for the same product or service available from other sellers.

The court's decision upholds the **Federal Reserve Board's** authority to require creditors to disclose all information required by the act, including the total purchase price, in all in payment plans of 4 or more installments. The requirement, issued in 1969, is known as 4-Installment Rule of Regulation Z under truth-in-lending law. Under this rule, the disclosures must be made in each agreement involving 4 or more installments, even if an agreement appears not to involve a finance charge.

The rule affirmed by the court was designed to prevent evasion of the credit disclosure requirement of the truth-in-lending law. In the past, some creditors have tried to evade the requirement by making no reference to the existence of finance charges even though such charges were part of the installment payments. The hidden finance charges would make the total price higher, of course, than it would have been if the consumer had paid for the purchase in a single payment.

Before signing any installment-buying contract, read it to be sure it contains—and you understand—all information required by the truth-in-lending law:

- Is the purchase price clearly stated?
- Is the amount of the down payment or trade-in allowance (or both) clearly stated?
- What is the balance owed?
- What is the total amount to be financed? Is it the same as the balance owed? Or is it less than the balance (meaning that the last payment will be larger than the individual payments)?
- How many installments will you have to make? What is amount & date of payments?
- What is the finance charge in dollar terms?
- What is the finance charge in terms of an annual percentage interest rate?
- Is there an itemized list of all charges not included in the finance charge?
- Is there an explanation of penalties, if any, for late payments or other delinquency?
- If the creditor requires a security (such as title to your car, stocks or bonds) for the installment contract, is the creditor's security interest fully described?

## Call collect—oops!

The May 1 issue of **CONSUMER NEWS** reported that consumers could use **Civil Aeronautics Board's** "hot line" by calling 202-382-7735 collect to register a complaint against an airline. Apparently, calling collect seldom works. Telephone companies are reluctant to allow a caller to give his name, telephone number & name of airline in question in order for a CAB consumer representative to return the call at CAB expense. Most telephone companies consider such procedure in violation of **Federal Communications Commission** regulations. So CAB's **Office of Consumer Affairs** has outlined another procedure. A consumer should plan to call the hot line number at his own expense. Within the allotted 3-minute minimum rate, a CAB consumer representative will take the caller's name, telephone number & the airline about which there is a complaint. Then, the representative will call back for details on the complaint.

## Miles-per-gallon ratings

Environmental Protection Agency has released its air-pollution control test results for 1973 model cars sold in the U.S. These tests include ascertaining the fuel economy of cars—that is, how many miles each model is expected to go on a gallon of gasoline. In announcing the findings of fuel economy values, EPA cautioned consumers against comparing its miles-per-gallon ratings with ratings obtained by others using different tests or conditions. EPA said: "Fuel economy is affected by a wide range of factors, including the manner in which the vehicle is driven, frequency of cold starts, use of power-absorbing accessories [such as air conditioning, power steering, automatic transmission], vehicle weight, axle ratio, ambient conditions & many others." EPA added that its ratings should not be considered an endorsement for any car.

CONSUMER NEWS is printing the ratings for almost all the cars used in EPA's study. Cars are listed under company names, which are in alphabetical order. The figures in parentheses beside the car name provide information about the engine. In "(360-4)," for example, the number before the hyphen represents the engine's displacement (size) in cubic inches, & the number after the hyphen represents the carburetor rating, 4 venturis (barrels). No distinction, however, is made between carburetor ratings achieved with multiple carburetors as opposed to single, multiple-venturi carburetors. For example, the number 4 could mean one 4-barrel carburetor or 4 single-barrel carburetors. (When "FI" is used after the hyphen, it means the car has fuel injection.) Following the parentheses is either the designation "A" for automatic transmission or "M" for manual. The number, as in "A3," tells the number of forward speeds. The last number after a model name is the miles-per-gallon rating. Thus, "Datsun 1200 (71.5-2) M4 28.7" means that Datsun model has a 71.5 cubic-inch engine with a 2 barrel carburetor & 4-speed manual transmission & gets 28.7 miles per gallon.

(In cases where EPA tested a model more than once, CONSUMER NEWS lists the rating with the highest fuel economy number.)

### A

Alfa Romeo S.p.A.	
115.01 GTV (119.7-FI) M4	19.1
American Motors Corp.	
Hornet (232-1) A3	18.9
Gremlin (232-1) M3	18.0
Javelin (232-1) M3	14.3
Jeepster (232-1) M3	13.3
Matador (258-1) M3	13.1
Gladiator (258-1) A3	13.7
Universal (258-1) M4	13.7
Matador (304-2) A3	12.2
Javelin (304-2) A3	12.6
Ambassador Wagon (304-2) A3	12.4
Jeepster (304-2) M3	12.3
Javelin (304-2) M3	12.6
Javelin (304-2) M3	13.6
Javelin (360-2) M4	10.0
Ambassador Wagon (360-2) A3	10.9
Ambassador (360-2) A3	11.2
Gladiator (360-4) M4	9.8
Matador Wagon (401-4) A3	11.1
Ambassador Wagon (401-4) A3	9.8
Avanti	
Avanti II (400-2) A3	11.0

### B

Bayerische Motoren	
Bavaria (182.0-2) A3	14.8
Bavaria (182.0-2) M4	13.0
2002 (121.3-2) A3	21.8
2002 (121.3-2) M4	21.4
2002tii (121.3-FI) M4	22.0
2002tii (121.3-FI) M4	22.5
British Leyland Motor Corp.	
MG Midget (77.9-2) M4	22.1
Austin Marina (109.6-1) A3	19.2
MGB Sports (109.6-2) M4	18.7
MGB GT (109.6-2) M4	16.3
Triumph Stag (183.0-2) A3	16.1
Triumph Stag (183.0-2) M4	16.6
Triumph GT6 (122.0-2) M4	19.7
Triumph TR6 (152.0-2) M4	18.1
Triumph Spitfire (91.0-1) M4	24.9
88" Land Rover (139.5-1) M4	18.6
Jaguar XJ6 Sedan (258-2) A3	11.6
Jaguar XJ12 Sedan (326-4) A3	7.5
Jaguar E Type (326-4) A3	7.6
Jaguar E Type (326-4) M4	9.7

### C

Checker Motor Co.	
Marathon A-12 (350-2) A3	11.6
Chrysler Corp.	

Valiant (198-1) M3	17.9
Valiant (225-1) A3	17.9
Bl-Sport (225-1) M3	14.5
Valiant (198-1) M3	17.9
Valiant (225-1) A3	17.9
Charger (318-2) A3	12.2
Dodge (318-2) A3	10.5
B-300 Wagon (318-2) M3	11.0
Satellite (340-4) A3	9.4
Dart (340-4) M4	10.6
Fury (360-2) A3	9.7
Chrysler (400-2) A3	10.6
Chrysler (400-2) A3	10.3
Chrysler Wagon (400-2) A3	9.4
Fury Wagon (400-2) A3	9.6
Satellite (400-4) M4	7.9
Chrysler (440-4) A3	9.4
Chrysler Wagon (440-4) A3	9.7
Imperial (440-4) A3	9.2
Fury (440-4) A3	8.7
Charger (440-4) A3	9.8
Chrysler United Kingdom Ltd.	
Cricket Sedan (91.41-1) M4	18.4
Cricket Sedan (91.41-1) A3	23.2
Cricket Wagon (91.41-2) M4	20.1

Citroen	
Citroen SM (181-6) M5	11.2
Citroen SM (181-6) A4	11.9
Classic Industries	
Phaeton (302-2) A3	12.3

### F

Ferrari	
Dino 246GT (147-6) M5	
365GTB.4 (268-12) M5	
Fiat S.p.A.	
850 Sport Spider (55-2)	
128 Sedan 2-Door (68-1)	
128 Sedan (68-1) M4	
128 Coupe 1300 (78-1)	
128 Coupe 1300 (78-1)	
124 Special Sedan (87-2)	
124 Special Station Wagon (87-2) M4	
124 Special Sedan (87-2)	
124 Sport Spider 1600 (97-2) M5	
124 Sport Coupe 1600 (97-2) M5	
124 Sport Spider (97-2)	
125 Sport Coupe (97-2)	

Ford Ltd.	
Capri (122-2) M4	
Cortina (122-2) M4	
Capri (122-2) A3	
Capri (154-2) M4	
Capri (154-2) A3	

Ford Motor Co.	
Pinto (98-1) M4	
Pinto (122-2) A3	
Pinto (122-2) M4	
Maverick (200-1) A3	
Maverick (200-1) M3	
F-100 (240-1) M3	
E-200 C.W. (240-1) A3	
Maverick (250-1) A3	
Torino (250-1) M3	
Montego (250-1) A3	
Torino (302-2) A3	
F-100 (302-2) A3	
Comet (302-2) M3	
Bronco (302-2) M3	
Torino (351-2) A3	
Cougar (351-4) A3	
Cougar (351-4) M4	
Pantera (351-4) M5	
Ford (351-2) A3	
Torino (351-2) A3	
Ford S.W. (351-2) A3	
F-100 (360-2) A3	
F-100 (360-2) M3	
F-100 (390-2) A3	
Ford S.W. (400-2) A3	
Ford (400-2) A3	
Mercury (400-2) A3	
Ford S.W. (429-4) A3	
Mercury (429-4) A3	
Montego (429-4) A3	
Torino P.I. (460-4) A3	
Mercury S.W. (460-4)	
Lincoln (460-4) A3	

Fuji Heavy Industries	
Subaru (83.1-2) M4	

### G

General Motors Corp.	
Vega (140-1) A3	
Vega (140-1) M4	
Vega (140-2) A2	

(147-6) M5	10.0	Vega (140-2) M4	18.0	1010 Travelall (392-4) A3	7.3	<b>S</b>	SAAB, USA	
268-12) M5	6.5	Vega (140-2) M3	19.7	1210 Travelall (392-4) M4	7.8		Saab 95 (103.5-1) M4	18.8
		Vega (140-2) A3	19.5	1010 Travelall (401-2) A3	9.8		Saab 97 Sonnet (103.5-1) M4	21.7
		Nova (250-1) A2	12.8	1010 Travelall (401-2) A3	10.1		Saab 97 Sonnet (103.5-1) M4	20.3
		Chevelle (250-1) M3	11.8	Isuzu			Saab 99 (121.1) M4	18.8
Spider (55-2) M4	24.1	Suburban (250-1) M4	11.0	Luv (110.8-2) M4	17.1	<b>T</b>	Saab 99 (121-F1) M4	18.6
Door (68-1) M4	20.6	Suburban (250-1) A3	11.5				Saab 99 (121-F1) A3	17.8
(68-1) M4	20.2	Impala (350-2) A3	12.0	<b>J</b>			S. S. Auto	
300 (78-1) M4	22.0	Chevelle (307-2) A3	12.8	Jensen Motors Ltd.			Excalibur Phaeton (454-4) A3	10.1
300 (78-1) M4	20.4	Bel Air Wagon (350-2) A3	10.0	Jensen Healey I (120.5-2)				
Sedan (87-2) M4	20.7	Suburban (350-4) M4	7.2	M5	22.1	<b>T</b>		
Station Wagon		Corvette (350-4) M4	9.9	Interceptor III (440-4)				
		Impala Wagon (400-2) A3	8.6	A3	10.4			
		Impala (454-4) A3	10.1					
		El Camino (454-4) A3	10.4					
Sedan (87-2) A3	18.2	Corvette (454-4) M4	8.1	<b>L</b>		<b>T</b>	Toyota Kogyo Co. Ltd.	
Spider 1600 (98-2)		Bel Air Wagon (454-4) A3	9.2	Lamborghini			Mazda 808 Station Wagon	
		Chevelle (454-4) M4	8.1	Espada 400GT (239.7-12) M5	7.2		(96.82-2) M4	23.4
Coupe 1600 (98-2)	18.5	Suburban (454-4) A3	7.8	Jarama 400GT (239.7-12) M5	7.3		Mazda 808 Station Wagon	
		Catalina (400-2) A3	10.0				(96.82-2) A3	19.0
Spider (97-2) M5	19.9	Lemans (350-2) A3	9.9	<b>M</b>		<b>T</b>	Mazda 618 Coupe (109.6-2)	
Coupe (97-2) M5	18.9	Catalina (350-2) A3	8.1	Maserati			M4	19.6
		Lemans Wagon (400-2) A3	10.0	Bora (301-8) M5	9.0		Mazda 618 Coupe (109.6-2)	
		Catalina Safari (400-2) A3	8.8	120 (301-8) M5	7.9		A3	18.3
		Firebird (350-2) M4	9.0				Mazda RX-3 Coupe (35.0x2-4)	
		Grand Prix (400-4) A3	10.6	Mercedes-Benz		<b>T</b>	M5	13.5
		Bonneville (455-4) A3	8.6	MB220 (134-1) A4	13.2		Mazda RX-2 Coupe (35.0x0-4)	
		GTO (400-4) M4	9.1	MB220 (134-1) M4	16.2		M4	12.4
		Lemans Wagon (400-4) A3	9.2	MB280/280C (167.5-4) A4	13.1		Mazda RX-2 Coupe (35.0x2-4)	
		Catalina Safari (455-4) A3	9.7	MB107 (276-F1) A4	13.1		A3	12.3
		Trans AM (455-4) M4	8.5	MB280SEL/1-4.5 (276-F1) A4	12.7	<b>T</b>	Toyota Motor Co.	
		Delta 88 (350-2) A3	9.9				Corolla-1 (71-2) M4	27.1
		Cutlass (350-4) A3	10.8	Mitsubishi Motors			Corolla-2 (97-2) A2	22.6
		Cutlass Supreme Vista Cruiser		Dodge Colt (97.5-2) A3	22.7		Corolla-2 (97-2) M4	20.8
		(350-4) A3	9.4	Dodge Colt (97.5-2) M4	22.5		Carina (97-2) M5	20.4
		Cutlass (350-4) M4	8.3			<b>T</b>	Carina (97-2) A3	19.9
		Cutlass Supreme Vista Cruiser		<b>N</b>			Corona (120-2) A3	18.5
		(350-4) M3	9.9	Nissan Motor Co.			Corona (120-2) M4	17.2
		Ninety Eight (455-4) A3	8.9	Datsun 1200 (71.5-2) M4	28.7		Corona (120-2) A3	17.6
		Delta 88 (455-4) A3	10.2	Datsun 1200 (71.5-2) A3	27.0		Corona Mark II (156-2) A3	15.4
		Delta 88 S.W. (455-4) A3	8.9	Datsun 1600 (97.4-2) M4	20.7	<b>T</b>	Corona Mark II (156-2) M4	15.2
		Cutlass (455-4) M4	7.5	Datsun 1600 (97.4-2) A3	20.7		Crown (156-2) M4	13.7
		Toronado (455-4) A3	7.9	Datsun 240Z (146-2) A3	13.9		Crown (156-2) A3	14.7
		Century (350-2) A3	10.2	Datsun 240Z (146-2) M4	15.8		Land Cruiser (236-2) M3	12.6
		Century (350-4) A3	10.5	Datsun Wagon (108-2) M4	18.1	<b>T</b>		
		LeSabre (350-4) A3	10.0	Datsun Wagon (108-2) A3	20.9		TVR	
		Century (350-4) A3	10.5				2500M (152-2) M4	18.1
		Gran Sport (350-4) M4	10.0	<b>P</b>				
		Electra (455-4) A3	8.7	Peugeot				
		Gran Sport 455 (455-4) M4	8.7	504XN1 (120-2) A3	17.0	<b>V</b>	Volkswagen AG	
		Gran Sport 455 (455-4) A3	9.8	504XN1 (120-2) M4	16.8		Sedan 11 (96.6-1) M4	23.6
		Calais (472-4) A3	8.8				Sedan 11 (96.6-1) Automatic	
		Eldorado (500-4) A3	8.1	Porsche-Audi			Stickshift	21.3
		Opel 1900 (115.8-2) M4	23.8	Audi 100 (114.5-2) A3	14.2		Squareback 36 (96.6-F1) M4	21.0
		Opel 1900 (115.8-2) A3	20.0	Audi 100 (114.5-2) M4	14.3	<b>V</b>	Squareback 36 (96.6-F1) A3	21.2
				Porsche 911T (142.4-F1) M4	16.8		Combi 23 (102.5-2) A3	18.3
		<b>H</b>		Porsche 911T (142.4-F1) M5	15.8		Combi 23 (102.5-2) M4	15.5
		Honda		Porsche 911T (142.4-F1)			Combi 23 (102.5-2) A3	16.8
		Honda (71-2) M4	23.6	Sportomatic	13.8		Squareback 46 (102.5-F1) M4	18.8
		Honda (71-2) M2	25.8	Porsche 911S (142.4-F1) M5	14.3	<b>V</b>	Squareback 46 (102.5-F1) A3	21.9
				Porsche 911T (142.8-F1) M5	18.8		Roadster 914/4 (102.5-F1) M5	19.6
		<b>I</b>		Porsche 911T (142.8-F1) M4	18.2		Roadster 914/4 (120-F1) M5	19.5
		International Harvester		<b>R</b>				
		Scout (258-1) M3	13.1	Renault		<b>V</b>	Volvo	
		Scout 4x4 (304-2) M3	12.0	17 (99.5-F1) M4	19.0		145 (121-F1) M4	17.7
		1010 Travelall (304-2) A3	10.4	12 (100.5-2) M4	20.6		145 (121-F1) A3	15.3
		1210 Travelall (304-2) M4	9.8	12 (100.5-2) A3	19.7		183 (121-F1) M5	17.0
		1010 Travelall (345-2) A3	9.2				164 (182-F1) M5	13.4
		Scout (345-2) M4	8.2			<b>V</b>	164 (182-F1) A3	15.0
		1210 Travelall (345-2) M3	8.2	Rolls-Royce			145 (121-2) M4	18.4
		1110 Travelall (345-2) A3	9.9	Silver Shadow (412-2) A3	9.2		145 (121-2) A3	20.3
		1210 Travelall (392-4) A3	9.0					

### Phase 3 plus

On April 30 President Nixon signed into law an extension of the Economic Stabilization Act to continue his program of price stability. In the President's statement about the extension, he outlined steps taken since Phase 3 began Jan. 11 [CONSUMER NEWS: Feb. 1] to reduce the rate of inflation. These steps included (1) mandatory price controls on large oil companies; (2) ceiling prices for beef, pork & lamb; (3) delaying wage agreements that have appeared inconsistent with price stabilization; (4) Internal Revenue Service checking on some 500 large companies to insure their pricing procedures conform with Phase 3 standards; (5) Cost of Living Council actions to obtain information about recent price increases by large industries.

With the signing of the Economic Stabilization Act's extension, the President directed Cost of Living Council to take additional steps to control prices:

- Obtain from the nation's largest firms a detailed report on price changes that have been put into effect since the beginning of Phase 3 so the council may order reduction of increases that have exceeded Phase 3's standards;
- Require other major firms to notify the council 30 days in advance of any intention to raise average prices more than 1.5% above the Jan. 10 authorized level (this will give the council an opportunity to decide if it should take any action to stop the increase);
- Require firms not increasing prices above the 1.5% limit to report their pricing action quarterly so that the council may still check any price increases for conformity with Phase 3.

### New Federal publications

The following are available from Consumer Product Information, Pueblo, CO 81009. Make check or money order payable to Supt. of Documents.

*Nursing Home Care* (guide to assist consumers in evaluating & selecting a nursing home), published by Office of Consumer Affairs & Medical Services Administration of Social Rehabilitation Service; #113A; 45¢.

*Room Air Conditioners* (selection, use & care), published by General Services Administration; #003A; 45¢.

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